

# Senate Study Bill 3230

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
NATURAL RESOURCES AND  
ENVIRONMENT BILL BY  
CO=CHAIRPERSON BLACK)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the renewable energy tax credit including  
2 providing for refuse conversion facilities and the maintenance  
3 of a waiting list by the Iowa utilities board, and requiring a  
4 transmission study.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 6535SK 81  
7 kk/cf/24

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1 1 Section 1. Section 476C.1, subsection 6, unnumbered  
1 2 paragraph 1, Code Supplement 2005, is amended to read as  
1 3 follows:  
1 4 "Eligible renewable energy facility" means a wind energy  
1 5 conversion facility, a biogas recovery facility, a biomass  
1 6 conversion facility, a methane gas recovery facility, ~~or a~~  
1 7 solar energy conversion facility, or a refuse conversion  
1 8 facility that meets all of the following requirements:  
1 9 Sec. 2. Section 476C.1, subsection 8, Code Supplement  
1 10 2005, is amended to read as follows:  
1 11 8. "Heat for a commercial purpose" means the heat in  
1 12 British thermal unit equivalents from refuse fuel pellets,  
1 13 methane, or other biogas produced in this state sold to a  
1 14 purchaser of renewable energy for use for a commercial purpose  
1 15 in this state or for use by an institution in this state.  
1 16 Sec. 3. Section 476C.1, Code Supplement 2005, is amended  
1 17 by adding the following new subsection:  
1 18 NEW SUBSECTION. 12A. "Refuse conversion facility" means a  
1 19 facility in this state which is used in connection with a  
1 20 sanitary landfill that converts solid waste into fuel in the  
1 21 form of a pellet that can be burned to generate heat for a  
1 22 commercial purpose.  
1 23 Sec. 4. Section 476C.3, subsections 2, 4, and 5, Code  
1 24 Supplement 2005, are amended to read as follows:  
1 25 2. The board shall review the application and supporting  
1 26 information and shall make a preliminary determination  
1 27 regarding whether the facility is an eligible renewable energy  
1 28 facility. The board shall notify the applicant of the  
1 29 approval or denial of the application within thirty days of  
1 30 receipt of the application and information required. If the  
1 31 board fails to notify the applicant of the approval or denial  
1 32 within thirty days, the application shall be deemed denied  
1 33 unless the application is placed on a waiting list as  
1 34 described in subsection 4A. An applicant who receives a  
1 35 determination denying an application may file an appeal with  
2 1 the board within thirty days from the date of the denial  
2 2 pursuant to the provisions of chapter 17A. In the absence of  
2 3 a timely appeal, the preliminary determination shall be final.  
2 4 If the application is incomplete, the board may grant an  
2 5 extension of time for the provision of additional information.  
2 6 4. The maximum amount of nameplate generating capacity of  
2 7 all wind energy conversion facilities the board may find  
2 8 eligible under this chapter shall not exceed ninety megawatts  
2 9 of nameplate generating capacity. The maximum amount of  
2 10 energy production capacity equivalent of all other facilities  
2 11 the board may find eligible under this chapter shall not  
2 12 exceed a combined output of ten megawatts of nameplate  
2 13 generating capacity and one hundred sixty-seven billion

2 14 British thermal units of heat for a commercial purpose. Of  
2 15 the maximum amount of energy production capacity equivalent of  
2 16 all other facilities found eligible under this chapter, at  
2 17 least one eligible facility shall be a refuse conversion  
2 18 facility for processed engineered fuel from a multicounty  
2 19 solid waste management planning area.  
2 20 4A. The board shall maintain a waiting list of facilities  
2 21 that may have been found eligible under this section but for  
2 22 the maximum capacity restrictions of subsection 4. The  
2 23 priority of the waiting list shall be maintained in the order  
2 24 the applications were received by the board. The board shall  
2 25 remove from the waiting list any facility that has  
2 26 subsequently been found ineligible under this chapter. If  
2 27 additional capacity becomes available within the capacity  
2 28 restrictions of subsection 4, the board shall grant approval  
2 29 to facilities according to the priority of the waiting list  
2 30 before granting approval to new applications. An owner of a  
2 31 facility on the waiting list shall provide the board each year  
2 32 by August 31 a sworn statement of verification stating that  
2 33 the information contained in the application for eligibility  
2 34 remains true and correct or stating that the information has  
2 35 changed and providing the new information.

3 1 5. An owner meeting the requirements of section 476C.1,  
3 2 subsection 6, paragraph "b", shall not be an owner of more  
3 3 than two eligible renewable energy facilities. An equity  
3 4 owner of a facility shall not be a majority owner of more than  
3 5 one eligible renewable energy facility.

3 6 Sec. 5. TRANSITION PROVISIONS == APPLICABILITY.

3 7 1. The waiting list described in section 476C.3, as  
3 8 amended by this Act, is the waiting list maintained by the  
3 9 utilities board within the utilities division of the  
3 10 department of commerce for applications for eligibility  
3 11 received prior to the effective date of this Act.

3 12 2. As of the effective date of this Act, the provision of  
3 13 this Act amending section 476C.3, subsection 5, shall apply to  
3 14 all facilities on the waiting list described in subsection 1  
3 15 regardless of the date a facility applied for eligibility.

3 16 Sec. 6. PROPOSAL FOR TRANSMISSION STUDY. The utilities  
3 17 board shall submit to the house and senate government  
3 18 oversight standing committees by January 1, 2007, a proposal  
3 19 for a transmission study. The proposal shall include a  
3 20 description of the content to be studied, a description of the  
3 21 estimated time needed to complete the study, an estimate of  
3 22 the cost to complete the study, and any other information the  
3 23 board deems necessary.

3 24 EXPLANATION

3 25 This bill relates to the renewable energy tax credit. The  
3 26 bill provides that a refuse conversion facility may be an  
3 27 eligible renewable energy facility under the renewable energy  
3 28 tax credit program. The bill provides a definition of "refuse  
3 29 conversion facility". The bill provides that the definition  
3 30 of "heat for a commercial purpose" includes heat from refuse  
3 31 fuel pellets and may be used by an institution in this state.

3 32 The bill requires the utilities board of the department of  
3 33 commerce to maintain a waiting list for facilities that may  
3 34 have been found by the utilities board to be eligible  
3 35 renewable energy facilities but for the maximum capacity  
4 1 requirements of Code section 476C.3. The waiting list must be  
4 2 maintained in the order the applications for the facilities  
4 3 were received by the utilities board which shall grant  
4 4 eligibility from the list if additional capacity becomes  
4 5 available.

4 6 The bill sets a maximum amount of capacity of facilities  
4 7 providing heat for a commercial purpose that can be found as  
4 8 eligible renewable energy facilities under the program as 167  
4 9 billion British thermal units. The bill requires the  
4 10 utilities board to find eligible at least one refuse  
4 11 conversion facility for processed engineered fuel from a  
4 12 multicounty solid waste management planning area.

4 13 The bill provides that an equity owner of a facility cannot  
4 14 be a majority owner of more than one eligible renewable energy  
4 15 facility. The bill provides for transition provisions for the  
4 16 waiting list and requires the utilities board to submit a  
4 17 transmission study to the house and senate government  
4 18 oversight standing committees.

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4 20 kk:nh/cf/24